



## FISCAL MEMORANDUM

### HB 708 - SB 1025

February 17, 2022

**SUMMARY OF BILL AS AMENDED (009798):** Extends to Tennessee resident students enrolled at South College the eligibility to receive the Senator Ben Atchley Opportunity Grant, to the extent feasible within existing budgetary resources of the Tennessee Student Assistance Corporation (TSAC).

### FISCAL IMPACT OF BILL AS AMENDED:

**Other Fiscal Impact – It is unknown if the TSAA appropriation will be fully expended in future years. To the extent the TSAA appropriation is fully expended, the proposed legislation could result in decreased awards for other students, unless additional funding in the amount of \$2,100,000 is appropriated in FY22-23 and subsequent years.**

Assumptions for the bill as amended:

- Based on information from the Tennessee Student Assistance Corporation, the average award amount granted will be at least \$1,284 for each new grant recipient; and 1,657 students at South College were eligible to receive the grant in FY22-23.
- Extending eligibility for the Senator Ben Atchley Opportunity Grant will result in an increase in state expenditures estimated to exceed \$2,127,588 (1,657 recipients x \$1,284 average award) in FY22-23 and subsequent years.
- The annual Tennessee Student Assistance Award (TSAA) appropriation is \$113,262,500.
- According to TSAC, the Corporation has recently taken steps to fully expend the full appropriation for the program. These steps include increasing the Expected Family Contribution, the index utilized to determine eligibility, for the current year and future years, as well as increasing awards at community colleges and Tennessee colleges of applied technology in 2022-23. It is unknown if these changes will result in all appropriated funds being spent in future years.
- To the extent expenditures are below the TSAA appropriation, the proposed legislation could be funded with existing budgetary resources of the TSAA without reducing award amounts for other students.
- To the extent the TSAA appropriation is fully expended, authorizing South College students to receive the Grant could result in decreased awards for other students, unless additional funding in the amount of \$2,127,600 is appropriated in FY22-23 and subsequent years.

- TSAA appropriation and expenditure information is below:

<u>Fiscal Year</u>	<u>State Appropriation</u>	<u>Expenditures</u>	<u>Remaining</u>
FY2016-2017	\$ 87,800,000	\$ 91,800,000	\$ (4,000,000)
FY2017-2018	\$ 97,500,000	\$ 104,600,000	\$ (7,100,000)
FY2018-2019	\$ 101,000,000	\$ 85,500,000	\$ 15,500,000
FY2019-2020	\$ 113,300,000	\$ 103,800,000	\$ 9,500,000
FY2020-2021	\$ 113,300,000	\$ 106,500,000	\$ 6,800,000

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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